GLOBAL FROM THE GET-GO

HOW EUROPEAN ENTREPRENEURS ARE LEVERAGING GLOBAL MARKETS IN THE DIGITAL AGE

Global Innovation Forum
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THE NEW GLOBAL OPPORTUNITY

"Being present in more than ten countries would have been impossible for an organization like ours just ten years ago." **– JUSTO HIDALGO, CO-FOUNDER, 24SYMBOLS**

Technology is transforming the nature of the international marketplace, creating new opportunities for even the smallest businesses to be global brands from Day One.

Nowhere is this transformation more apparent than Europe, where entrepreneurs are creating innovative new businesses everywhere from Limerick, Ireland to Sofia, Bulgaria, which are rooted in local communities but infused with a global mindset.

Even businesses built to serve local needs suddenly find themselves pulled into the global marketplace on the strength of an innovative offering and the global reach of digital media. Following its launch and a couple of well-placed mentions in the press, East London-based Technology Will Save Us began seeing demand from markets around the world even though its initial focus was on serving the British maker and education communities.

This report, which profiles ten entrepreneurs who are starting and growing global businesses from Europe, is an effort to get to know a slice of the community of startups and small businesses who are leveraging digital technologies to build international brands and to understand the opportunities and challenges they face.

ABOUT THE GLOBAL INNOVATION FORUM

The Global Innovation Forum connects entrepreneur, nonprofit and university communities with corporations and government officials to explore the opportunities and challenges of engaging in the global marketplace.

Through public forums, private workshops and online platforms, GIF elevates the global opportunity that exists, explores challenges to participating effectively in international markets and works to improve the public policy landscape to benefit a broad range of global innovators.

GIF is a project of the National Foreign Trade Council Foundation.

Jake Colvin
Executive Director

Strengthening businesses and diversifying economic opportunity

A common refrain from the entrepreneurs surveyed is that access to the global marketplace helps strengthen their businesses and increase economic opportunity.

Bobby Miloev, co-founder of online custom tailor Dragon Inside, based in Sofia, Bulgaria, notes that "we have customers all over Europe, but our strongest market is the United States. Virtually every interaction we have with a customer or a supplier is international."

Ninety percent of the client base for Ireland-based Yellowschedule, an online patient scheduling and payment tool, resides in the United States. Technology Will Save Us exports half of the inventory it manufactures in Hackney.

More broadly, data from online marketplace eBay suggest that, "it is now possible to run a growing pan-European and global business from Europe's more rural, remote, and sometimes less economically wealthy areas."[1]

[1] "European Small Online Business Trade Summary 2015," eBay Inc., available at http://www.ebaymainstreet.com/regional-perspective-eu-digital-single-market

Analyzing the communities of sellers that operate on its platform, eBay found that smaller regions in the EU – places such as Languedoc in France, Lancashire in the UK and Niederbayern in Germany – were relatively more dynamic for digitally-enabled small businesses than the likes of urban centers Ile-de-France, Inner London and Cologne.

This economic opportunity stems from new innovations built on top of the global Internet that permit entrepreneurs to improve their productivity and minimize the challenges of engaging in the international marketplace.

E-commerce platforms, payment mechanisms, logistics services, search engines, translation tools, website and app analytics, communications tools, cloud computing infrastructure, advertising platforms, and other intermediary services help to diminish formerly significant hurdles such as payments, shipping, financing, marketing, global accessibility, infrastructure maintenance, information asymmetries, and language that would have deterred startups from global markets just a decade ago.

Entrepreneurs point to a variety of global technologies that they use to operate on a global basis and collaborate with internal teams and external partners, customers and suppliers, from Google Drive to PayPal to Slack, a service that combines messaging, archiving and search to enable teams to communicate more effectively.[2]

ACKNOWLEDGEMENTS

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Special thanks to Shay Durac, a fellow with the Global Innovation Forum, for his work in shaping this report, Ethan Teicher of the NFTC for his research and editing, Melissa Blaustein of Allied for Startups for her counsel, and to the entrepreneurs featured for sharing their stories.

Unbabel, a startup profiled in this report, is doing its part, providing an innovative service that uses technology to aid human translators, helping to address the friction language poses to international business and communication.

Eva-Dewi Pangestian Harahap of Nauli, a Munich-based artisan e-commerce shop, highlights another benefit of the Internet for her global startup: It delivers resources to help her and her co-founder improve their business skills.

She explains that the Internet is “a place where we learn a lot. We’re not from a business background. Through various online channels, we’ve learned…about marketing and selling products around the world.”

The promise of the Internet is that it democratizes access to the global marketplace, encouraging stronger businesses and communities across Europe. In the past, there was a sense that, to be successful, a startup had to pack up for California to be closer to advisors, investors and other entrepreneurs.

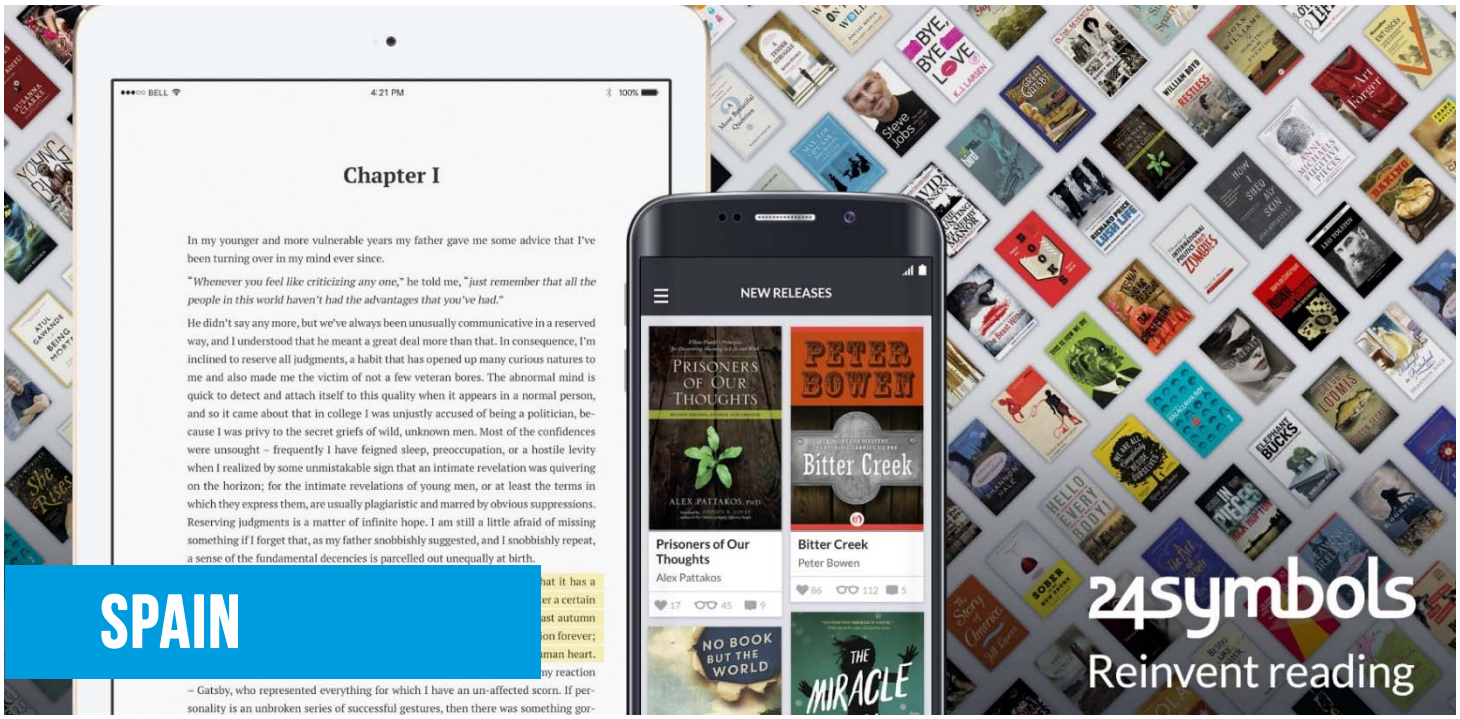
While several of the startups profiled in this report have set up offices in the United States, many of the entrepreneurs emphasized their strong desire to build their brands from Europe and to maintain their presence and focus on the communities in which they grew up.

"It is harder and it is slower, but it is possible to do business outside Europe while remained based in Europe,” suggests Yellowschedule’s co-founder Martina Skelly.

Bethany Koby, CEO of Technology Will Save Us, adds, “we are based in the UK and we want to grow a business in the UK. We like being in East London.”

[2] See the chart on page 29 for more technologies startups recommended.

Reinventing Reading for the Digital Age



JUSTO HIDALGO, CO-FOUNDER

Pitched as the "Spotify of books," Justo Hidalgo and three other co-founders launched 24symbols in 2011 at the London Book Fair as a streaming service through which bibliophiles can access literature across a variety of genres.

The company serves a reading library tailored to the interests of the reader and unlimited content across its library for a flat monthly fee, similar to music streaming services that provide a customized listening experience based on the tastes of the listener.

For the first two years, 24symbols focused on the Spanish market, but Justo knew he wanted the company to be global from the start. "We have to be international," Hidalgo emphasizes. "This is one of those businesses where you can't scale in Spain alone."

"With a smartphone penetration of over 55% Spain is Europe's undisputed mobile leader, outperforming France and Germany."

– E-COMMERCE EUROPE

"Although eight out of every ten Spanish firms have an internet connection and a webpage, only 50% of them have an online catalogue of products and prices, and under 20% offer their clients the option of making orders or reservations online."

– BBVA RESEARCH

24SYMBOLS

Even though Hidalgo and his team focused domestically at the outset, they consciously maintained an English website, made the decision to launch in London, and traveled around the world talking up the global potential of the service.

In 2013, 24symbols partnered with Zed, the largest mobile content distributor in the world, and revamped its platform to integrate better with mobile devices. Soon after, 24symbols made its first foray into the international arena, partnering with Beeline to launch in Russia.

From there, 24symbols found it easy to segue into Latin American markets. "The books we had in Spanish were popular in the region," says Hidalgo. Through partnerships with content providers Tigo and Personal, 24symbols expanded into Guatemala, Colombia, and Argentina.

A deal with Mobicom Debitel to expand into Germany recently went live, and the company is now looking to crack the U.S. market.

He sees significant potential for growth in the United States, given the size of the market and demand for Spanish-language literature.

Hidalgo – who operated an integration company that expanded to Silicon Valley prior to founding 24symbols – took his international experience in the business-to-business world and refocused it to the world of literature, tailoring the user's experience to the country from which they originate.

"We have good experience with expanding internationally. We were in the trenches day-to-day, and we have a good understanding about what it takes to be global," he says.

"We offer a single 24symbols service, but it is customized to the needs of each country in terms of language, messaging, and content. Though still tough, being present in more than ten countries would have been impossible for an organization like ours just ten years ago."

He emphasizes that the increased opportunity to reach global markets in the digital age is something that any startup can achieve.

"Most startups must be global in nature; there's no other way to scale. I'd always recommend entrepreneurs be global from day one. Find good partners for a first stage of internationalization, and then make appropriate use of your resources."

"We have to be international. This is one of those businesses where you can't scale in Spain alone."

24symbols

ONLINE

24symbols.com
Twitter @24symbols

Photo credits:
24symbols

Elevating Strong African Role Models for a Global Audience

TONJÉ BAKANG, CO-FOUNDER

Tonjé Bakang has seen the potential of film to bring communities around the world together. "When I was a child, I had access to books about great African men. I had easy access to African-American films. I had role models, and it changed me, it uplifted me."

In 2014, he founded the French startup Afrostream – an online video streaming service for African and African-American themed content – to bring that potential to a worldwide audience.

Today Afrostream provides access to content that many Africans and members of the African diaspora have never had.

"Tax breaks for R&D... combined with world-class scientists are making France a honey pot for technology companies."

– BLOOMBERG

"Increasingly, France's consumers are multidevice users, and in particular, those mobile devices increase their propensity to shop and buy online. Of those surveyed, 89% of internet users shopped on the web at least annually."

– EMARKETER.COM

AFROSTREAM.TV

"My goal is not to save the world," emphasizes Bakang, "but to change how black people see other black people, and to help change the way the world interacts with black people. If I understand you better, I'm not going to be afraid of you anymore, and we can do business together."

Afrostream is an offering unique to the digital age. Bakang points out that, without reliable access to the Internet, his business model could not succeed.

"The Internet is key for us. Before that, the big networks were saying we cannot put more diversity on TV, because we need to address the whole country."

The advent of streaming technology has significantly changed how people consume television and film. The Internet permits Afrostream to be both global and local.

"You get to be global but also really personal. Everyone can watch what they want, and we can deliver easy access to African content, American content, Caribbean content."

While the company delivers content to audiences around the world, its main consumer market remains France.

"The Internet is everywhere and people have smart phones," he observes of his home country, which are two important requirements for Afrostream to succeed.

Afrostream has developed partnerships around the world to extend the reach of studios to new markets.

"For the American studios, I say 'let me open a new market for you. Let me help you get your content in front of new audiences.' If Afrostream becomes a huge success, it's a new distribution channel for them."

The startup also partners with African studios to extend their reach. Afrostream delivers content from Nigeria's Nollywood, which produces more movies annually than the United States and generates annual revenue of $10 billion, to new audiences in Europe, America, and Brazil.

Afrostream plans on co-producing content with these African producers, using partnerships with distribution companies such as France's TF1 to bring more topical content with strong African influences to a worldwide market.

"There's a global issue around the representation of black people. As a minority in France, to be able to watch a show like Empire with powerful black people, to have a good representation of our community, makes us better."

"For the American studios, I say 'let me open a new market for you. Let me help you get your content in front of new audiences.' "

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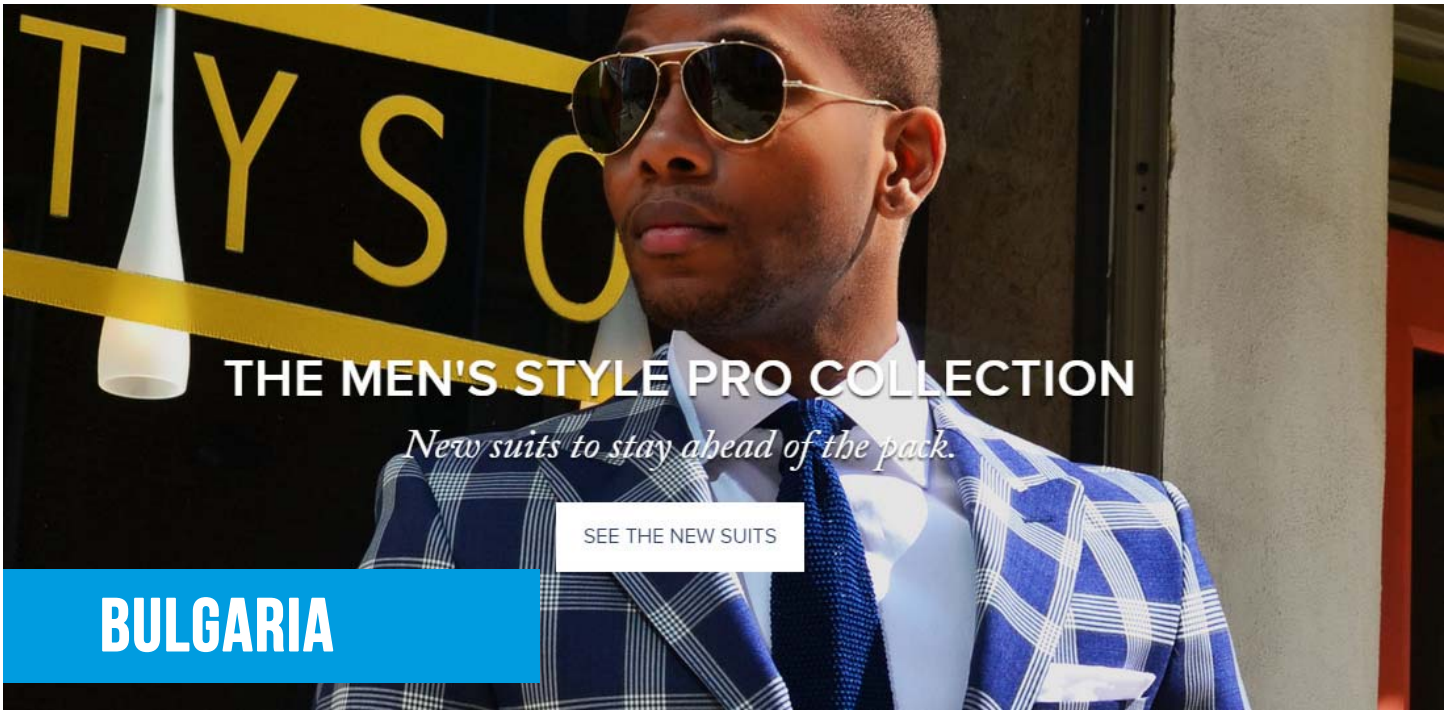
Helping Men Suit Up in Style Without Breaking the Bank



ELLIE ATANASOVA AND BOBBY MILOEV, CO-FOUNDERS

Ellie Atanasova and Bobby Miloev's menswear startup, Dragon Inside, is a success story of European integration. Part of a new wave of direct-to-consumer e-commerce powered by the global Internet, Dragon Inside produces custom-tailored suits in Sofia using high-end fabrics from traditional mills in Italy and the United Kingdom.

Dragon Inside counts customers from around the world who are attracted to the chance to go custom for a fraction of the cost of a traditional Savile Row bespoke garment.

"We want to enable men around the world to suit up in style without breaking the bank," Atanasova says.

Bulgaria "needs to increase the number of broadband subscribers: only 54% of households subscribe to fixed broadband and 58 subscribers per 100 people to mobile broadband, limiting Bulgaria's ability to exploit the benefits of the digital economy."

– EUROPEAN COMMISSION DIGITAL TREND SCOREBOARD

"As foreign companies, especially retail, begin to do well in-store in Bulgaria, access to Bulgarian e-commerce may follow." H&M saw its sales rise in the country, after which its Bulgarian unit launched an online store.

– H&M

DRAGON INSIDE

"Bulgaria has one of the strongest textile industries in all of Europe, and taxation and the overall costs of doing business are very favorable for an online brand."

Atanasova believes that its platform in Europe offers key advantages as compared to similar e-commerce menswear companies based outside the EU. "We have almost unparalleled access [to the European market] since we're not hampered by duties and red tape like our competitors based in Asia."

Dragon Inside has been global from the get-go. "We have customers all over Europe," Miloev says, "but our strongest market is the United States. Virtually every interaction we have with a customer or a supplier is international."

"The U.S. is our strongest market," notes Atanasova, "but we are seeing significant growth in the EU. E-commerce in Europe is varied, fragmented, and challenging."

Miloev says access to global customers brings the scale that enables their business to succeed. "Scale is of key importance for production efficiency. We process every order in exactly the same manner, and we're not really that interested in the country of our customer until it's time to put the shipping labels on the box."

An easy online experience and rapid order fulfilment are key to keeping those customers coming back. Miloev emphasizes that Dragon Inside "is a pure e-commerce play," and relies exclusively on reaching customers via the Internet.

Atanasova and Miloev also underscore the importance of logistics, shipping, and order fulfilment. The company processes payments via Braintree, a division of PayPal, which the co-founders describe as the best payments processing option for businesses based in Europe.

As for shipping, "the service offered by the leading courier companies never seizes to amaze," says Atanasova. "DHL handles all of our logistics. We have overnight shipping for most of Europe and 2-day shipping for the rest of the world, and Inbound shipments from the mills in Italy and the UK also arrive in a couple of days."

The ability to fulfill orders in such a short amount of time has provided Dragon Inside with the ability to forego traditional storefronts. "Other fashion brands which started online are increasingly tempted to spend on brick-and-mortar stores," observes Miloev, "but we're staying true to the promise of affordable quality and e-commerce efficiency."

"We have customers all over Europe, but our strongest market is the United States. Virtually every interaction we have with a customer or a supplier is international."

Dragon Inside

ONLINE

dragoninside.com
Twitter @DragonInside

Photo credits:
Dragon Inside

Handmade in Germany, Shipped All Over the World

EVA-DEWI AND JOHANNA PANGESTIAN HARAHAP, CO-FOUNDERS

Technology has had a particularly important effect on the global reach of retail, giving local artisans like Munich-based Nauli new opportunities to interact with customers outside of their home market, grow and strengthen their business, and hone their skills.

Founded by sisters Johanna and Eva-Dewi Pangestian Harahap, Nauli produces specialty CD and DVD folios, photo albums, and boxes that they sell in large part to photographers looking to package their products better.

Nauli also produces journals, dolls, stuffed animals, bags, and pillows, using high-end paper from Italy and Japan, and natural yarns.

"With 56 million people (79 percent of the population aged 14 years of age or older) online on a regular basis, Germany boasts the most internet users in Europe.

– GERMANY TRADE AND INVEST (GTAI)

"According to a study from BITKOM, 65% of German citizens have shopped online during 2012, up from 53 percent in 2008. The current European average is 45 percent. In Germany, 85% of the people have access to the internet."

– ECOMMERCENEWS.EU

NAULI

"We started in 2008, planning to do something that we really like. I studied communication design and was freelancing, and Johanna was a language trainer by profession, but we wanted to do something with our hands," says Eva-Dewi.

In the beginning, Nauli sold through traditional means, looking to place their products with local retailers in Germany. "We actually didn't think about selling online," Eva-Dewi notes, "but our local plans didn't work out so well, and we had a lot of stock."

In 2009, the sisters began selling online through DaWanda, a German online marketplace for handmade products, and Etsy, a similar New York-based marketplace for artisans.

"It was in our first week on Etsy, when we started to get quite large orders, that we got the impression that the overseas market could be bigger than the market in Germany," says Johanna. "We then started to sell online ourselves via our own website about six months later. We didn't want to depend only on third-party platforms; it's safer to have our own shop as well."

Today, Nauli ships the vast majority of its products to customers the United States, the United Kingdom, and other international markets.

Eva emphasizes that their global journey has been about more than accessing customers. "The Internet is more than just a place where we market and sell our products, it's a place where we learn a lot. We're not from a business background. Through various online channels, we've learned a lot about marketing and selling products around the world."

"We are in two retail stores, in Barcelona and Bangkok, but we're not sure if we want to get into retail, so we market our products ourselves online," Johanna explains. Through social media marketing, blogging, and word of mouth, Nauli has been able to expand its market significantly without relying on paid marketing.

Through it all, the pair have been flexible in their approach. "It's not good to stay too fixed to a single plan," advises Eva-Dewi.

"It was in our first week on Etsy, when we started to get quite large orders, that we got the impression that the overseas market could be bigger than the market in Germany."

nauli

ONLINE

shop.nauli.de
etsy.com/shop/nauli
dawanda.com/shop/Nauli
Twitter @Nauli

Photo credits:
Nauli

Reimagining Sheet Music For the Digital Age

BART VAN DER ROOST, CO-FOUNDER

While the Internet has revolutionized the way people consume music, neoScores CEO and co-founder Bart Van der Roost noticed a glaring gap – sheet music.

"I was working for the Brussels Philharmonic with a background in classical symphony. At that point, everything was moving to digital formats except for sheet music. We thought someone else would solve for this, but most of the solutions didn't go much farther than delivering sheet music as a pdf file."

So Van der Roost, with co-founders Bob Hamblok and Jonas Coomans, set out to create a platform that addressed the shortcomings of other sheet music delivery systems.

"Slightly more than 7 million Belgians shopped online last year, which means 64% of the population has ordered something via the Internet in 2014. Of all these shoppers, 440,000 Belgians ordered something online for the first time ever."

– ECOMMERCENEWS

"Around 70-75 percent of Belgians have smartphones, according to figures from GfK reported by L'Echo. The market shifted around 2.8 million smartphones in 2014, an increase of 29 percent compared to a year earlier."

– TELECOMPAPER

NEOSCORES

"We decided it should be interactive, it should adapt to your screen," says Van der Roost, "it should have the content we love, everything from Bach to Beyoncé."

The end result was neoScores, a platform focusing on Digital Rights Management for sheet music. To date, neoScores has partnered with Schott Music, one of the oldest and largest sheet music publishing houses in Europe, and Alfred Music, a major American music publisher.

"We want this to be the iTunes for sheet music," Van der Roost says. "The first goal that we have is to change the way people buy sheet music, by giving them instant gratification."

One of neoScores' biggest obstacles is the number of sites allowing users to pirate sheet music. "We're in a universe where everybody uses Napster. We want to come in and be iTunes."

Van der Roost maintains that neoScores would not be able to exist were it not for online access to the global marketplace. "Music, by definition, is almost always global. We rely on the fact that it should be possible for anybody to access content. Let's say you live in Peru and you want to access French music. How can you do that? Before you couldn't. So we need to make sure people can access the Internet."

neoScores is intent on being global and local, delivering music on a global basis while understanding and engaging local markets. "There is always a local part to music. In the United States, 20 percent of sheet music sales are Christian music. This is nonexistent in Europe. That was something we needed to learn. In France, two-thirds of the top 50 hit singles are French."

Van der Roost strongly supports the idea that startups pursue global opportunities from the beginning. "Look for help; governments are doing great things. The Flemish government has a 'Go Global Fund' via the iMinds incubator that pays for travel for going abroad. With things like that, with accelerators and incubators, there is assistance available if you know where to look."

Van der Roost suggests that for a global business to succeed, it is important to experience the markets in which you seek to compete. "Embracing different cultures is key. It's important that you open up to Asia, to the United States, to Africa, to experience what's happening on the ground, to understand those opportunities in the global marketplace."

"Music, by definition, is almost always global... Let's say you live in Peru and you want to access French music. How can you do that? Before you couldn't. So we need to make sure people can access the Internet."

neoScores®

ONLINE

neoscores.com
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Photo credits:
neoScores

A Global Solution to the Boring Presentation

ADAM SOMLAI-FISCHER, PETER HALACSY AND PETER ARVAI, CO-FOUNDERS

Technology is making design-conscious tools more accessible, and Prezi – with offices in Budapest and San Francisco – has stepped in to provide an advanced, engaging, and impactful presentation creation and management program.

Founded in Hungary in 2009 by Adam Somlai-Fischer, Peter Halacsy, and Peter Arvai, Prezi's platform consists of an interactive, zoom-able canvas that allows for more engaging visual storytelling than traditional slide-based models.

"Of respondents between the age of 18 and 48 years old, 76% of Hungarian consumers stated they had ordered something online in 2013."
– ECOMMERCE NEWS

"Infrastructural developments and the growing number of smartphones in Hungary has led to an increase in mobile data traffic by a year-on-year 35% in quarter four of last year." (2014)"
– BUDAPEST BUSINESS JOURNAL

PREZI

Their inventive design has resulted in three major rounds of funding, including investments by Sunstone Capital, Accel Partners and Spectrum Equity.

“We provide a solution to the boring presentation,” says co-founder Adam Somlai-Fischer.

“Prezi works the same way that the human brain works,” he adds, “using visual landmarks to enable greater comprehension and deeper connections. It allows presentations to be more visually compelling, and also much more impactful.”

Prezi has grown quickly as a platform, enabling 55 million users to create 180 million presentations so far.

The company has been global from the beginning. “Going global was a conscious decision for us,” says Somlai-Fischer. “People rely on presentations in the United States more than in Europe, and it’s a big, fairly unified market. Targeting the U.S. market gave us an opportunity to grow faster.”

While its largest markets are the United States, Canada, Australia, and the UK, its increasing language support is expanding the markets to which it has access.

“We are currently available in nine languages,” says communications director Csaba Faix. “We see a tremendous potential for success in Latin America – particularly Brazil, because Prezi is available in Portuguese, and Mexico.”

Prezi relies entirely on the global Internet to succeed.

“We offer a cloud-based service, so it’s obvious that we need the Internet to provide it,” says co-founder Peter Halacsy. “You sign up for Prezi on the Internet, you pay for it on the Internet, and you use it via the Internet. It’s essential – we rely on the global Internet 110 percent to do business.”

“For entrepreneurs looking to take their business global, I say ‘just go,’ ” says founder Peter Arvai.

“Going global will help, because it gives you another perspective, another market. It adds diversity. You don’t need to give up your country of origin, but you can go to the United States or any other country around the world.”

“You sign up for Prezi on the Internet, you pay for it on the Internet, and you use it via the Internet. We rely on the global Internet 110% to do business.“

ONLINE

Prezi.com
Twitter @Prezi

Photo credits:
Prezi

Exporting Music to New Markets

SHAIN SHAPIRO, JORDI PUY AND KATJA HERMES, HEADS OF OFFICE

Music may be universal but music promotion is hyper-local. As a former UK and European Representative of the Canadian Independent Music Association, Shain Shapiro saw firsthand that success in one market did not guarantee traction in another.

He launched Sound Diplomacy in May 2013 with co-founder Jordi Puy via offices in London and Barcelona to help musicians, businesses, governments, municipalities, academic institutions, and brands expand into new markets – or in some cases expand their impact and network in markets where they already operate.

Soon after, the two brought on Katja Hermes – who previously worked with a German music organization called Initiative Music and helped launch the German House at the annual SXSW music and technology festival in Austin, Texas – to serve as director of a third flagship office in Berlin.

The trio and their teams plan, promote, and execute twenty-odd music festivals around the world, along with Music Cities Conventions that explore city challenges like planning, policy, licensing, and demography and aim to prove that the music industry can contribute to making cities more sustainable.

Sound Diplomacy also works directly with artists to promote their brands, and has a consulting arm that handles additional strategy work with festival organizers and government-backed entities.

SOUND DIPLOMACY

"We knew that in our world, where we're helping to export music, the more international we were, the more competitive we would be," Shapiro says, whose reach now also extends to India. "The company was always intended to have multiple offices, so we could offer different services to clients in each region while building and leveraging a collective global network."

While Sound Diplomacy began by leveraging relationships between North America and Europe, Shapiro says that, "our growth markets are Eastern Europe, Central and South America, and Africa. We see growth in what we offer anywhere that has something creative to offer, but lacks the infrastructure to succeed globally."

Their global business relies on global connectivity.

"We are completely cloud-based. We have a [customer relationship management] system called Insightly that we use. We use QuickBooks. Our entire company operates on Google Drive," says Hermes. "We work so much together on the same projects. Without that ability to collaborate in real-time, we couldn't succeed."

At the same time, Hermes emphasizes the need to have boots on the ground in different markets.

"Germany is the third strongest music market in the world, and Berlin is a hub for creatives from all over the world, that's why it is an interesting market to export to or expand your business. But the Germans market is a little conservative. We tend to get nervous about things like security and data protection online. This is actually a selling point for us as a company. We can offer you a resource on the ground to understand the culture and way of making business over here."

Hermes maintains that this nuanced approach is important for a startup to consider when going global. "Building a team of people you can trust is really important. Have a local presence to help get a solid knowledge of the market you're going to."

Shapiro also suggests having a pragmatic yet well-researched approach to expansion. "Grow strategically, not just because you can, and never assume anything. If you never assume, you're never caught off-guard."

"And be as relaxed as possible. We do this because we want to, right?"

"We knew that in our world, where we're helping to export music, the more international we were, the more competitive we would be."

SOUND DIPLOMACY

ONLINE

sounddiplomacy.com
Twitter @SoundDiplomacy

Photo credits:
Sound Diplomacy

Instigating Learning and Encouraging Creativity Using Technology

BETHANY KOBY, CO-FOUNDER

A designer by training, Bethany Koby co-founded Technology Will Save Us in 2012 to instigate learning and encourage creativity using technology for young people and families. Her company manufactures Do It Yourself kits in East London and sells to budding engineers and makers all over the world so they can build and program their own devices and projects.

Koby believes that "people learn more when they care about what they make," which explains the emphasis Technology Will Save Us puts on constructing speakers and music synthesizers, homemade electronic play-dough sculptures (pictured opposite) and thirsty plant monitors.

The some-assembly-required mentality behind her products provides an educational opportunity built for a technology-focused modern economy, though most consumers are just having fun building something they can then actually use.

"Twenty-first century learning happens around the kitchen table as well as in the classroom," she observes, "and it happens through hardware and software, online and offline."

One of the company's most popular products is the DIY Gamer Kit (pictured above), a portable video game device with a small LED screen, which is first assembled and then programmed by a maker.

"The Internet is now the UK's second-biggest economic contributor behind the property sector, having overtaken manufacturing and retail."

– BOSTON CONSULTING GROUP

TECHNOLOGY WILL SAVE US

The experience helps improve understanding of how the hardware works and teaches coding.

With about half of their kits destined for the United States, global markets were important to Technology Will Save Us from the beginning.

“We’ve always known that we wanted to have global impact and skill related to technology are universally relevant and exciting. To be a seriously scalable business we needed to tap into larger markets than just the UK,” says Koby. “In terms of our ambition, strategy and future growth, global markets are essential and an exciting part of the next phase of the business.”

The company originally sold only direct-to-consumer through their online shop. “E-commerce enabled us to be an instant global business,” she observes. “We’ve shipped our product to over 80 countries in the past 18 months,” she says.

“Without an open global Internet, it just wouldn’t be possible. It allows us to scale quicker, rather than setting up regional offices in different territories. We’re able to keep our team lean and still operate in foreign markets.”

More recently, they began partnering with specialty retailers like the Museum of Modern Art’s Design Store in New York, which also acquired a DIY Gamer Kit for its permanent design collection in 2014.

While their brand is global, local understanding matters.

“Don’t underestimate how important is to really understand the markets you’re entering, specifically the difference in customers between new markets and your home market,” she warns.

“So many UK business think the U.S. market is similar to the UK. They underestimate the differences between the UK and U.S. and even within the U.S. The west coast market is different than the east coast for our products.”

She emphasizes the importance of investing in technology to coordinate global operations.

“It’s everything from robust communication tools like Slack – which our team use more than e-mail now right now – through to using a freight forwarder with a user friendly portal that allows us to track shipments, troubleshoot customs and make sure our product lands on time and keeps our clients happy.”

“E-commerce enabled us to be an instant global business. We’ve shipped our product to over 80 countries in the past 18 months. Without an open global Internet, it just wouldn’t be possible. “

TECHNOLOGY WILL SAVE US.

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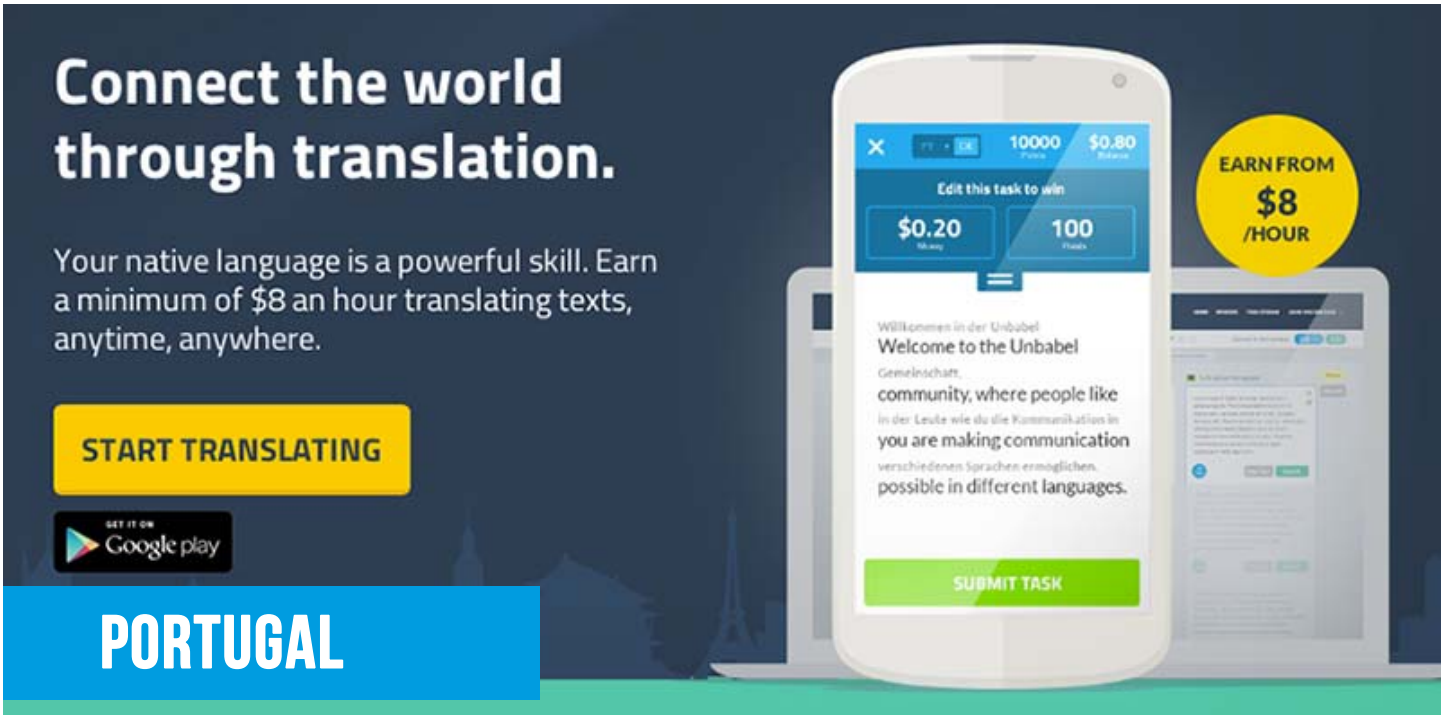
Photo credits:
Technology Will Save Us

Reducing the Friction Language Poses for Globalizing Companies



SOFIA PESSANHA, CO-FOUNDER

Sofia Pessanha knows that the global marketplace brings challenges as well as opportunities. She founded Unbabel – along with Bruno Silva, João Graça, Hugo Silva and current CEO Vasco Pedro – to address the barrier language poses to international business and communication.

The promise of Unbabel – a technology-aided translation service – is that it can reduce the friction that language poses to globalizing companies.

"Machine translation isn't good enough, except to get the general gist of something. And the typical human translator can only translate 2,500 words a day," Pessanha explains. "We're creating a better way to enable accurate translation."

"Portugal's population exists of 10.4 million people, of which 66% uses the internet. 3.2 million of these internet users shop online."
– E-COMMERCE EUROPE

"The number of internet users in Portugal rose from 6.67 million in 2012 (64% penetration rate) to an estimated 7.12 million in 2013 (68%) and should reach 8.44 million (80% penetration) by 2017."
– TELECOMPAPER

UNBABEL

By using technology to aid human translators, Unbabel's platform simplifies the translation process and dramatically lowers costs. Its unique crowdsourcing model allows multiple translators to work on the same text, greatly reducing response times.

Pessanha views Unbabel as a global business solving a global problem. "We want to make translations available to people around the world. The companies that use us have an international vision for their brand. The translators who work with us are from all over the world, from Europe, Latin America and Asia. On both sides of the equation, we're global."

Its workforce is also global, with current or past team members hailing from countries including Bulgaria, Greece and the United States.

When it comes to future growth prospects, "one of the things we're seeing more and more is China," she says. The company has had an integration into China from the beginning, translating subtitles for movies and working with the online education industry translating courses. Increasingly, "we see a huge opportunity there and feel the pull from Chinese users and consumers."

One challenge for Unbabel's growth in China is that, "people who work with us there say our website is slow and doesn't work very well." While Chinese consumers often encounter sluggish response times for global websites, for Unbabel the delays also affect its ability to engage Chinese translators on its platform.

Pessanha notes that most of Unbabel's communities of translators live in their major home language markets – for example, many of their Portuguese translators live in Brazil. But, because of the challenges accessing global websites in China, "most native speakers who translate Mandarin for us don't live in China. This has a huge impact on our ability to staff and meet demand for our services."

The lesson that she takes from the company's experience in China is that, "it's really important for the Internet to be open to everyone and accessible at the same speed, regardless of where our servers are."

Pessanha's biggest piece of advice for an entrepreneur looking to take their business global is that, "cultural awareness and empathy are critical. Just realizing that people come from different backgrounds is super important for doing business globally."

"It's really important for the Internet to be open to everyone and accessible at the same speed, regardless of where our servers are."

Unbabel

ONLINE

unbabel.com
Twitter @theunbabel

Photo credits:
Unbabel

Bringing Doctor-Patient Communication into the 21st Century

MARTINA SKELLY, CO-FOUNDER AND CEO

While the digital age has improved communication for industries and people around the world, communications between patients and doctors' offices often remain stuck in an earlier era. Martina Skelly, CEO and Co-Founder of Yellowschedule, sought to use her expertise to improve medical scheduling and records management following a frustrating personal experience.

"I had an appointment for my eldest child with a particular specialist who had a six-month waiting list," explains Skelly. "We missed the appointment. It was my fault, and I felt just awful." Worse, they had to go back in the lengthy queue for a new appointment.

Her response? Launch a new service that streamlines appointment scheduling, reminders and payments for patients and doctors.

Yellowschedule allows patients to book and manage appointments online, sends automated appointment reminders and can handle deposits and payments.

For patients, the service is a welcome reprieve from voicemail prompts, long wait times and phone tag that still characterize the majority of interactions with doctors' offices. It also turns out to be good business for the doctors and administrators who pay for the service, reducing no-shows by up to eighty percent and administration burdens by almost forty percent, according to company figures.

"81% of Irish homes had broadband access in 2014. That is well above the EU average and means that more than 3 million people in Ireland are online."

– E-COMMERCE IN IRELAND 2015

YELLOWSCHEDULE

Yellowschedule has customers in nearly 40 countries around the world. Nearly ninety percent of current clients are based in the United States.

"For Irish companies, export is in our DNA. We're in about 38 countries in the moment, even though we're still in the early stages of commercialization," says Skelly.

She notes that the Irish Government provides important resources and infrastructure to companies like hers who are looking to tap global markets. "We conducted a feasibility study with the assistance of Enterprise Ireland, and built teams in Limerick and Dublin," says Skelly.

In 2014, Yellowschedule was the recipient of €600K from a group of angel investors, along with Enterprise Ireland, that helped the company compete more effectively in global markets.

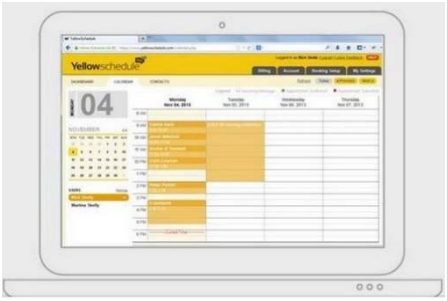
Skelly understands the pull of Silicon Valley for European companies, but is intent on remaining an Irish company. "Because of movies such as The Social Network, being a startup founder is becoming akin to aspiring to be a rock star. California is seeing a second gold rush and there's a lot of hype around creating a Unicorn. It's an exciting way to quickly build a lot of value for investors and stakeholders for sure, but it's also a fast way to potentially kill a great company."

Rather than decamping to San Francisco, she is working to grow a global business from Ireland. "We started and are still based in Ireland. I get to sit in my office on the banks of the River Shannon at the University of Limerick."

"Our product is a cloud-based product; we market to people online, sell to them via our website, and have automation tools that send messages to customers. It's all web-based," Skelly says. "We acquired most of our partners online without ever meeting. And we are being found online and approached to tender for large contracts, particularly in the United States. It is harder and it is slower, but it is possible to do business outside Europe while remaining based in Europe."

Skelly recommends that entrepreneurs take the time to plan out a global growth strategy before jumping into the global market. "You have to have confidence in your ability and your expertise, and you have to do market researches; there are nuances in markets. Dream big and have confidence, but back it up with the research, because mistakes can be expensive."

"We started and are still based in Ireland. I get to sit in my office in the banks of the River Shannon at the University of Limerick..It's all web-based."



Yellowschedule

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Photo credits:
Yellowschedule

OBSTACLES TO GOING GLOBAL

Global markets bring challenges as well as opportunities. Entrepreneurs have to operate on the same playing field as major multinational corporations but with dramatically fewer resources.

In many cases, companies do not have dedicated compliance personnel or a full time general counsel. As a result, often mundane issues like customs classification quickly rise to founder level.

Here is a selection of what's top of mind for these globally-minded startups –

Customs & VAT

"Look, I do see a lot of positives coming out of the European single market, but I have to have twenty-plus different VAT numbers to operate correctly in the EU. That's not how it should be." – neoScores

"Navigating customs is a minefield of complexity. We sent a huge shipment to our first big retail account in the United States and it gets stuck in customs because the customs code changed the day before. That's just another thing that a small business doesn't need to deal with. And that's just one territory." – Technology Will Save Us

Complying with foreign regulations

"Getting the legal side right is complicated. We think that laws were generally made for big companies, not small ones like ours. For sure it makes us insecure, but we're lucky that our business is advanced to the point where we can deal with the complexities we face." – Nauli

"Our business deals with electronics and education. Those two things married create a whole collection of challenges, particularly the regulations around electronics which in some cases require global certifications. How do we navigate those regulations to make sure we are always on top of the certifications that we need to have in order to be compliant? It's really complex." – Sound Diplomacy

"International taxation and pricing are some of the most interesting but challenging parts of 24symbols. We are a startup in soul and size, but our breadth and size make us look like a multinational. It's amazing when we make it work." – 24symbols

Culture and language

"Cultural and language differences, that also affect the books that are required in each region is an important pain point." – 24symbols

"There are added layers of complexity – language, culture, currency, payment methods. Also, the timelines of doing business are completely different depending on where you are. Quickly means something different in the United States versus Europe versus India." – Unbabel

"Ferragosto! The Italian suppliers we rely on are closed for the month of August." – Dragon Inside

The global Internet

Because of the challenges accessing global websites in China, “most native speakers who translate Mandarin for us don’t live in China. This has a huge impact on our ability to staff and meet demand for our services.....It’s really important for the Internet to be open to everyone and accessible at the same speed, regardless of where our servers are.” – Unbabel

“Without an open global Internet, it just wouldn’t be possible. It allows us to scale quicker, rather than setting up regional offices in different territories. We’re able to keep our team lean and still operate in foreign markets.” – Technology Will Save Us

Intellectual property rights & channels for legal content

“We have to be very careful that we don't sell a German consumer buying on a French website the wrong content.” – neoScores

“Music, by definition, is almost always global. We rely on the fact that it should be possible for anybody to access content. Let's say you live in Peru and you want to access French music. How can you do that? Before you couldn't. So we need to make sure people can access the Internet.” – neoScores

Payments and currency

“We're quite at risk to foreign exchange issues. We get paid in 5 different currencies every month. We get paid in the currency in which we invoice, and then we do the trading ourselves to make sure we have the money to pay our bills.” – Sound Diplomacy

Industry maturity

“The maker movement is really important to us and the community that we served from the beginning. It is much more mature in the United States than the UK. However, we are based in the UK and we want to grow a business in the UK. We like being in East London. How do we navigate that real opportunity in the United States from a sales perspective with a desire to create real impact in the place we started and where we see a real need?” – Technology Will Save Us

“We're part of a debate that doesn't exist. There are very few people talking to government from a music industry perspective except for copyright protection. We're about industry development and education and skills. It takes a while to get our point across to governments and stakeholders who aren’t used to hearing from us.” – Sound Diplomacy

Timezones

“My two biggest challenges are dealing with different time zones and scaling in different markets at the same time with the same team.” – Afrostream.tv

“Time zone differences sometimes make it more challenging to provide timely custom service, which has always been our primary focus.” – Dragon Inside

CONCLUSION

FACILITATING ACCESS TO THE GLOBAL MARKETPLACE

Digital technologies are enabling unparalleled access to the global marketplace, but entrepreneurs emphasize that an opportunity exists to facilitate the global journeys of entrepreneurs further and improve prospects for more communities in Europe and around the world.

> "What we really need are laws that keep our scale of business in mind."

Entrepreneurs suggest that governments have an important role to play in supporting access to the global marketplace and removing the remaining pain points that they identified.

They stress that policymakers can craft rules to lessen friction by lowering tariffs where they exist, improve access to global services, financing and digital platforms, develop better visa and immigration processes, guarantee reliable access to the global Internet, simplify customs procedures, and make more information more easily available and understandable.

"There are so many things governments could do," underscores Hidalgo of 24symbols. "The EU could simplify visas to import foreign talent, create framework regulations to be followed by member countries that simplify the administrative steps to create and dissolve a company, and enable regulations for investors that ease and enable faster engagement of investors in companies."

Miloev of Dragon Inside points to the Transatlantic Trade and Investment Partnership (TTIP) negotiations – an effort by the European Union and United States to facilitate transatlantic business and innovation – as an opportunity to improve his business.

"The [TTIP] treaty currently being discussed involves reducing and removing trade barriers," he says. "Duties in the textiles space are too high at the moment. Additionally, raising the de minimis thresholds [a minimum value under which goods can enter a country duty-free and without extensive paperwork] will be a boon for many business."

Miloev adds that it would also help on the import side of his business. "In terms of imports into the EU from the United States, we have been on the fence about starting a product line with an American wool mill, and there are also some great packaging products on offer from U.S. companies. Removing duties and other barriers will make those decisions much easier for us."

Pangestian Harahap of Nauli highlights that, "lower taxes will probably help us for larger sales and more expensive products," and hopes that "the partnership agreement will lower barriers for toys."

Others, like Hidalgo of 24symbols, are more guarded. "Any work on improving and simplifying trade is welcome," he suggests, "but I'd need to read the fine print" of the agreement under negotiation. Skelly of Yellowschedule notes that "breaking down the barriers to business is obviously a key goal to enable trade between countries," but is concerned that the transatlantic trade initiative thus far has flown largely under the radar for ordinary citizens.

Other startup community leaders point to the opportunities and challenges surrounding the European Union's new Digital Single Market initiative.

In a letter to Commission Vice President for the Digital Single Market Andrus Ansip, leaders of incubators and startup community organizations from across the EU encouraged the initiative to focus on tackling specific problems to enhance innovation, not "leveling up" regulatory burdens.[3]

"This means things like a common set of rights and a clear set of rules on data protection that give consumers confidence, but don't stifle innovation." The letter continues, "We need to make one-stop-shop systems work so that startups only have to deal with one regulator or tax authority."

Entrepreneurs underscore the need for the EU and Member States to orient their laws and policies more towards startups and small businesses.

"What we really need are laws that keep our scale of business in mind!" says Pangestian Harahap. "That didn't happen at all with the new VAT regulations issued by the European Union."

"For a big company, these regulations might just mean they need to employ some more computer scientists and accountants. For really small businesses like ours, it could mean a month of uncertainty, a threat to our ability to do business, and needing to hire an accountant who is not in our budget," she adds.

Others suggest that governments could enhance the bespoke services they offer – from small business loans to travel grants to export advice and market entry services.

"The EU and Member States have an important role to create a good infrastructure and an entrepreneur friendly environment," says Faix of Prezi.

The Commission appears to be moving in that direction via programs such as the Horizon 2020, a financing mechanism to encourage the development of EU-led knowledge, research and innovation, and a new Startup Europe cluster aimed at linking startups with government and support communities.

"For governments, organizations and advisors, giving even top level advice on what we ought to be looking out for as we reach different levels of scale would be really, really helpful," concludes Koby of Technology Will Save Us.

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[3] "Startup communities urge EU to put innovation at the heart of the Digital Single Market - Our letter to Commission Vice President Andrus Ansip," available at http://www.alliedforstartups.org/

Favorite Technologies: A Selection

Stripe enables us to easily implement a payments module that allows our customers take payments from their own clients; Teamwork is the best online project management tool I've ever used; Our entire company operates on Google Drive; we use Slack more than email right now; Amazon Web Services is the most important; internally we use Skype and Google Hangouts; Etsy is a must if you want your handmade products to be seen in the USA, Canada, Australia, UK and more; DHL!; Quickbooks – the productivity of our U.S. accountants is very good; we put everything on Evernote; PayPal goes smoothly even across different currencies; Dawanda is a good European marketplace

Image credit: Tagul, http://tagul.com

Global **Innovation** Forum

globalinnovationforum.com